

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

THE APPLICATION OF LICKING VALLEY)	
RURAL ELECTRIC COOPERATIVE)	
CORPORATION FOR AN ORDER AUTHO-)	
RIZING A PASS-THROUGH OF EAST)	Case No. 7704
KENTUCKY POWER COOPERATIVE, INC.'S)	
WHOLESALE POWER RATE INCREASE IN)	
CASE NO. 7702)	

ORDER

On January 18, 1980, Licking Valley Rural Electric Cooperative Corporation (Applicant) filed its Application to flow-through any increase in rates granted its wholesale power supplier, East Kentucky Power Cooperative, Inc., (East Kentucky) in Case No. 7702. Applicant is one of eighteen member distribution cooperatives of East Kentucky. In Case No. 7702, East Kentucky requested an increase in revenue of approximately \$8,576,789. Of this total increase, Applicant would experience an increase in power costs of approximately \$355,052. This increase represents 4.14% of the proposed East Kentucky increase and would result in an overall increase to Applicant's consumers of 7.44%.

The matter was scheduled for hearing on March 18, 1980, at the Commission's offices in Frankfort, Kentucky. A further hearing was scheduled for May 9, 1980. The hearings were conducted as scheduled and the Consumer Protection Division of the Attorney General's office was the only intervenor present.

The Commission after review of the evidence of record and being advised is of the opinion and so finds:

(1) That the actual increase granted East Kentucky Power in Case No. 7702 is \$7,345,000 which will result in an increase in power costs to Applicant of \$304,412.

(2) That Applicant is entitled to recover the increased wholesale power costs granted in Case No. 7702 and its financial condition would be materially impaired if it were not allowed to recover this additional cost.

(3) That the rates granted herein are in addition to the Applicants general rate increase, Case No. 7591, issued on February 19, 1980.

(4) That the revised rates and charges set out in the attached Appendix "A" are designed to reflect only the increased power costs from East Kentucky Power Cooperative, Inc., granted in the final order in Case No. 7702 and will not result in any additional net margin to Applicant.

IT IS THEREFORE ORDERED that Licking Valley Rural Electric Cooperative Corporation is hereby authorized to flow-through the increased power costs resulting from the rate increase granted its wholesale power supplier in Case No. 7702.

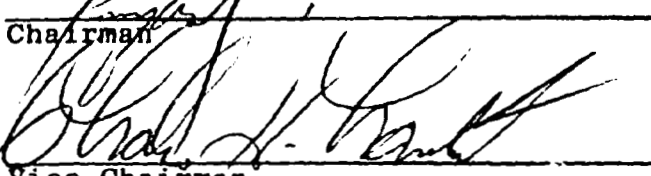
IT IS FURTHER ORDERED that the rates set out in Appendix "A" shall be placed into effect simultaneously with the effective date of the East Kentucky wholesale power increase.

IT IS FURTHER ORDERED that Licking Valley Rural Electric Cooperative Corporation shall file within twenty (20) days from the date of this Order its revised tariff sheets setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this 1st day of July, 1980.

ENERGY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE ENERGY REGULATORY
COMMISSION IN CASE NO. 7704, DATED JULY 1, 1980

The following rates and charges are prescribed for the customers in the area served by Licking Valley Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order.

RATES: Monthly

Schedule A, E and B-2*

Customer Charge	\$ 4.52
All KWH	.0388

Schedule B, 50 KW or less*

Customer Charge	\$10.63
All KWH	.0457

A demand charge of \$3.14 per KW in excess of 10 KW of billing demand.

Schedule B-1*

Customer Charge	\$10.63
All KWH	.036

A demand charge of \$3.14 per KW in excess of 10 KW of billing demand.

Schedule LP - Large Power Service*

Customer Charge	\$42.52
All KWH	.0342

A demand charge of \$3.14 per KW

Schedule LPR - Large Power Rate*

Customer Charge	\$85.04
All KWH	.0275

A demand charge of \$3.14 per KW.

Schedule SL - Security Lights*

175 Watt Mercury Vapor (70 KWH per lamp)	\$ 5.24
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*The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."